GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:3532
ANSWERED ON:08.08.2017
Insurance Coverage under Pradhan Mantri Fasal Bima Yojana
Chudasama Shri Rajeshbhai Naranbhai

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether Pradhan Mantri Fasal Bima Yojana has been launched to save the farmers from crisis due to crop damage caused by vagaries of weather;

(b) if so, the details thereof and the total amount allocated under the scheme during the current financial year;

(c) the mandatory conditions for farmers to join the scheme;

(d) the details of the total insurance coverage and the premium amount therefor under the scheme for the damaged foodgrains, oilseeds and cotton; and

(e) whether there is any cap on premium, if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): Yes, Madam. After review of erstwhile Crop Insurance Schemes, Government has launched yield based Pradhan Mantri Fasal Bima Yojana (PMFBY) and weather index based Restructured Weather Based Crop Insurance Scheme (RWBCIS) from Kharif 2016 season. To make the schemes advantageous for farmers, many innovative solutions have been incorporated in the new schemes, which include comprehensive crop insurance under PMFBY from pre-sowing to post harvest against non-preventable natural risks at extremely low maximum premium rate for farmers, of 2% for Kharif crops, 1.5% for Rabi Crop and 5% for annual commercial/horticultural crops, which premium rates are also applicable under RWBCIS. The balance of actuarial/bidded premium is shared by the Central and State Government on 50 : 50 basis. Further, not only has cap on premium, which had earlier led to reduction in sum insured been removed under both schemes, but sum insured has been increased and made equal to the Scale of Finance, thereby providing maximum risk coverage to the farmers. In an effort to provide more realistic assessment of losses, the unit area of insurance has been reduced from Tehsil/district level to village/village panchayat level for major crops and to individual farm level for localised risks of hailstorm, landslide and inundation. Both the schemes are compulsory for loanee farmers availing seasonal operational loans in notified areas for notified crops and voluntary for non-loanee farmers. While assessment of claims under PMFBY is made based on the yield loss due to non-preventable natural risks like flood, drought etc. under RWBCIS assessment of claims is based on weather parameters. A budget provision of Rs.9000 crore has been made for current financial year i.e. 2017-18.

During 2016-17, 581 lakh ha. area was covered under crop insurance schemes for a total premium of Rs.22236 crore and total claims of about Rs.15000 crore have been estimated for damaged crops.
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